

# **What are Regional Skills Partnerships?**

Regional Skills Partnerships (RSPs) take many forms, but broadly RSPs can be defined as *collaborations within a regional labor market among multiple firms with similar labor market needs and other key stakeholders (such as labor, educational institutions, community organizations, the public sector) to identify and address skills shortages.*

Dozens of RSPs already exist across the country. Major regional employers or employer organizations initiated some; in other cases the instigating force was a union or group of unions; in still others, educational, community-based, or public organizations have taken the initial lead. However, in all cases where RSPs have been successful, they have been deeply rooted in the industry or industries they are set up to serve.

# **Why Form Regional Skills Partnerships?**

Regional Skills Partnerships are one among many responses to new set of labor market dynamics. The One Stop Career Center system implemented by the Workforce Investment Act is another response.

RSPs are emerging as companies, unions, and communities recognize the following:

- Increasingly, businesses will only grow and prosper in communities that provide them an accessible, skilled worked workforce, capable of competing both nationally and internationally.<sup>1</sup>
- But, in many cases, there is a serious mismatch between the skills needs of industry and the skill base of the regional workforce.
- Traditional institutions cannot solve this problem for a whole set of reasons. On the “demand” side constraints include the limited training capacity of small and mid-sized firms and increasingly competitive markets—including labor markets.
- On the “supply” side, educational institutions are finding it difficult to keep up with the pace of change.
- Collaborative solutions are most effective, both for companies and for communities. By working together, firms can pool resources; they can build a regional training “pool”, rather than poach on other firms in the industry for labor; and they can clearly communicate their needs to educational institutions and work with them to forge effective solutions.<sup>2</sup> When coalitions include unions and the community, the emerging strategies not only improve the competitiveness of firms but also the prosperity of their workers.
- Solutions must be regional. Economic activity occurs within regions configured quite differently from the way politically defined regions (such as cities, states, or WIB regions) are configured. Solutions must be crafted in terms of these natural economic regions.
- Demand-driven strategies can be more effective for target populations. Many workforce development and educational programs seek to provide better opportunities and access to those with specific barriers. Strategies aimed at meeting the needs of these populations are more effective when they also seek to meet the real needs of employers.

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<sup>1</sup> National Alliance of Business, “Business-Led Coalitions: Aligning Supply and Demand in Workforce Development”, Workforce Brief #9.

<sup>2</sup> Robert Atkinson, “Building New Skills for the New Economy: Regional Skills Partnerships”, Background, February 1998, Progressive Policy Institute.

## **Jobs With A Future Partnership: Supporting Educational Innovation In Dane County, Wisconsin**

The Jobs with a Future Partnerships in Dane County, Wisconsin have formed a strong partnership with the Madison Area Technical College (MATC). The area firms that participate in the partnerships have been able to help develop new training or improved access to existing programs. MATC is able to receive representative industry information on training needs and develop training responses. As a result, MATC has developed new training programs, added new courses, and modularized elements of its curriculum.

For example, MATC's first program with the JWF partnerships was to develop a training solution for the shortage of information systems professionals in the region. MATC worked closely with the Finance and Insurance Partnership to develop a modularized curriculum for incumbent workers to become programmer/analyst trainees. The concentrated curriculum involves 4 hours of training a day for 16 weeks. Companies send current employees who are "topped out" in their present position having screened them for aptitude in computer programming.

This is not a program that would have simply emerged on the basis of demand in the labor market. No single company can identify or incorporate 15 students all at once. By have several employers send workers to the training instead of customizing the training to just one employer, the class offering was made feasible for MATC and affordable to companies. Further, by pulling out the essential course elements and modularizing the training, MATC was able to meet employer demand in an effective and timely manner, and employers did not need to lose their incumbent workers to full-term programs.

*This description was excerpted from "High Performance Partnerships: Winning Solutions for Employers and Workers" published by Wisconsin's Department of Workforce Development and written by the Center on Wisconsin Strategy at the University of Wisconsin, Madison.*

# Building Partnerships

However, the challenges in building a broad-based collaborative rooted in the private sector are significant. The first rule of partnership building is: *focus on mutually beneficial outcomes*. Even very different goals can lead stakeholders to the same solution.

In the early stage of constructing the collaboration, RSPs need to establish clearly articulated goals for the alliance. *It is essential that there be a real and compelling interest on the part of all the key partners in the achievement of these goals.*

It is also important that all the key stakeholders are part of the RSP and that it represents a critical mass of employers within the targeted sectors. One very important initial decision to be made by those seeking to organize a regional RSP is whether to build on existing employer organizations or create an entirely new collaboration.

The voice of the workers and community is also essential to a successful RSP. Numbers of the most successful RSPs around the nation were initiated and are led by unions. Even more have strong union involvement. Unions both can leverage active firm commitment and provide critical insight into the conduct of work on the shop floor.

## **Regional Skills Partnership:**

### **What Makes Them Useful and Unique?**

- ❑ RSPs are not just another advisory board. These partnerships require private sector leadership in problem solving and program development.
- ❑ The focus on an industry or set of industries permits problems to be more precisely defined and facilitates finding practical solutions to common problems.
- ❑ At the same time, the solutions found will almost always entail the coordination of many public sector programs and funding sources. The partnerships can provide a forum to help integrated diverse public programming.
- ❑ Industry partnerships can also build systems (such as shared training programs, new curricula) that single firms cannot or would not build on their own. The partnerships also develop the relationships and trust these kinds of collaborative and innovative programs require.
- ❑ RSPs provide a unique and important window on the real workings of the labor market. Given the rapid changes in the new economy, it is difficult for training providers and policy makers to track and support the needs of firms and workers. Partnerships provide invaluable information on occupational shortages, training gaps, and so on.
- ❑ Overall, then, RSPs provide a more unified and involved private sector voice.

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## **Organization of the RSP**

The organizational form of each RSP is dependent upon both its goals and its partners. Some have broad goals, long time horizons, and are organized as separate legal entities with their own staffs. Others are formed with particular and limited goals, short time lines, and are supported by staff of existing organizations. In all cases, however, successful RSPs need to be extraordinarily flexible and responsive to changing conditions. They also need ultimately to involve the operational staff and managers of firms, not simply top management.

## **Key Stakeholders' Roles and Responsibilities**

The character of the partnership and the division of roles and responsibilities among partners will depend importantly on the origin and the purpose of the RSP. However, each of the key stakeholders brings different strengths, given their institutional character and mission.

**Employers & Employer Associations.** Firms participate in RSPs in two ways, on their own and as members of employer associations. In general, large firms are more likely to participate on their own than small and mid-sized firms and are much more likely to be catalysts of RSPs than smaller firms. Some large firms also have launched independent skills training projects in concert with public organizations, educational institutions, their unions and so on. In some areas and in some industries, employer associations are effective in bringing smaller firms to the table; in other situations, these firms need to be directly engaged.

### **The New England Software Council Fellowship Program**

The New England Software Council Fellowship Program was formed in response to the need for more skilled workers in the software industry in Metropolitan Boston. The Software Council, consisting of 400 software companies, developed a combination training/internship program to bring individuals displaced primarily from mid-level management jobs in finance, education, insurance, and technology companies to a level of competency to be hired by the software firms. The program has successfully assisted dozens of workers develop new skills essential to the burgeoning software industry.

Employer associations are relatively new players on this stage, but increasingly important ones. Whereas traditionally they have focused on business services and lobbying, today associations ranging from the National Association of Manufacturers to the National Tooling and Machining Association to the Computing Technology Industry Association to numerous local Chambers of Commerce have serious workforce development initiatives. These organizations can be invaluable members of an RSP, helping to identify

key employers, provide technical assistance, build national learning networks, and support the development of regional and national skills standards.

Firms within the targeted sector or sector must be one of the engines of the project – whatever the vehicle of involvement. That is, the RSP is likely to fail or be only marginally successful unless employers are seriously invested in the project in the interest of their own bottom line—and translate this into material support at all levels (defining project goals and strategy; designing the training program and curricula; implementing and evaluating the program; contributing to the financial support of the program).

**Unions.** Unions are extremely active in supporting the emergence of RSPs and offer unique contributions to their development. Perhaps most importantly, unions often have a bigger picture perspective than individual employers since they look across an entire industry. At the same time, their members may know better than anyone what is required to get a job done and how the work process could be reconfigured to make it more productive.

### Supporting “High Road” Strategies:

#### The Role of Unions In Regional Skills Partnerships

Unions have a unique contribution to make in crafting strategies that work for both firms and communities. They have ties to employers across industry lines, often reaching far beyond those of most business organizations. They have ties to faith, business, civil rights, community, social service and educational institutions. They have access to political and economic resources. And they are in a position to pull people together, help forge a common agenda and bridge the gaps that too often separate people who share the same goals.

#### **Concretely unions:**

- ❑ Work to give voice to all workers, the people who have the greatest stake in economic decision-making.
- ❑ Unions have a big-picture perspective with membership that crosses industrial, occupational, company and community boundaries.
- ❑ Unions have strong ties to employers that provide them an understanding of the realities of corporate decision-making, allowing them to pinpoint areas where the needs of working families and the needs of businesses overlap.
- ❑ Unions are rooted in communities and have strong ties to community leaders and organizations beyond the union movement.
- ❑ With years of training experience in on-the-job and state-of-the-art training programs, unions often understand better than most stakeholders what works and what does not when it comes to skill development.

*(This discussion was adapted from “Building Good Jobs and Strong Communities”, by the AFL-CIO Working for America Institute.)*

**Educational institutions.** Because of their central role in the design and delivery of training, educational institutions—both two year and four year—are frequently at the center of RSPs. To keep their offerings current, many educational institutions regularly conduct labor market audits to identify skills shortages in their region. Working in close concert with private sector partners, the challenge then is to develop tailored training programs responsive to industry needs.

In some areas, two-year community and technical colleges have been best able to respond to the demand for industry-responsive training. However, in other cases four-year institutions are playing central roles in addressing skills shortages within their region. For example, in the heart of Silicon Valley, the University of California at Santa Cruz is the leader in training for information technology and other high demand occupations.

Many schools, in fact, have become powerhouse players in their region, often bringing together other stakeholders to address targeted skills shortages and other economic development needs. The tighter the link with industry, the better able these institutions are to offer technologically up-to-date training that conforms to the actual skill demands of employers.

One important advantage educational institutions offer is their ability to provide an articulated set of trainings that lead to a recognized degree or credential. One challenge is how the “credits” bestowed by one institution can recognize and build on those of another (whether that is another college, an employer or employer association, or a CBO).

**Workforce Investment Boards.** As described earlier, WIA envisions Workforce Investment Boards as both *brokers* of and *investors* in workforce development programs in their local labor markets. These are roles they share with other stakeholders in the area. As such, in any particular RSP the WIB might be the initiating broker, and might continue to play the lead role after the RSP has been formed. Alternatively, a WIB may be brought to the table by other stakeholders and play only a supporting role throughout the life of the RSP.

In any case, given the role the WIB plays in oversight and governance of public workforce investment funds, it is an important stakeholder to have at the table.

**Community-based organizations** Throughout the country—particularly in many of the nation’s larger cities—important RSPs have been formed that are funded by the philanthropic community and often rooted in community-based organizations (CBOs).

## **Project QUEST**

Project QUEST in San Antonio, Texas is a partnership between the Industrial Areas Foundation, local employers, the City of San Antonio, and the regional Private Industry Council. It emerged to deal with two parallel problems in the local labor market: the loss of well-paid manufacturing employed combined with skills shortages in the new service and high technology sectors.

Project QUEST has addressed this problem by providing long term training for low skill workers, permitting them to move into higher skilled, better paying jobs.

The strategy has worked: participants have seen their wages go up by \$5000 to \$7000 annually. However to get the program launched, Project QUEST had to overcome employer misconceptions and prejudices about the area's largely Hispanic workforce.

In general, these kinds of RSPs are focused on the problem of poverty and therefore target low-income neighborhoods and lower-skilled workers. However, CBOs can also be important partners in RSPs that target higher skill workers as well, to the extent to which the strategy includes an entry-level component. CBOs can provide access into the neighborhoods they serve and supplement training programs by providing case management and other supportive services.

**Economic development organizations.** In a real sense, economic development organizations pioneered sectoral initiatives and, in fact, numbers of skills alliances have emerged from and are actually embedded within broader regional economic development consortia. In these cases, the incorporation of workforce development issues into an economic development agenda has been driven by the articulated needs of industry.

Even where they are not the initiating force, economic development organizations have a wealth of experience analyzing the local labor market and working with local firms that can be brought to an RSP.

## **A Framework for Determining Potential Partners in an RSP**



In determining potential partners for a Regional Skills Partnership, it helps to begin with the answering a few basic questions:

1. What is the labor market region?
2. What are the compelling skills needs in this labor market? For employers? For community members?
3. Does a regional skills partnership already exist or is there an existing collaboration that could be developed into an RSP?
4. What role could my institution play in meeting the needs as defined?
5. What are other roles and responsibilities that other partners need to fill?

With that context, you can then better determine who the stakeholders might be in the formation of a regional skills partnership and begin to identify potential partners. Alternatively, it may be that collaborations already exist and your institution can join and/or help a collaboration recruit a broader membership. The listing below outlines potential categories of partners and some questions to ask when considering specific organizations to approach.

- , **Industries:** Which industries are critical to the regional economy, face skills shortages, and offer good career opportunities?
- , **Employer Associations:** Are there employer associations representing the targeted industries that are participating or are likely to participate in a Regional Skills Partnership? Have these employer associations been active in workforce development and educational efforts?
- , **Employers:** Which employers in the target industries have workforce development needs, are likely to be able to collaborate, offer good job and career opportunities? Which employers have already begun training programs for their existing workforce and/or collaborated to train new entrants?
- , **Unions:** What local unions represent the targeted industries and/or have been active in workforce development, economic development, and community development efforts?
- , **Educational Institutions:** What local educational institutions might be able to provide complementary support to the skills and education strategy being developed? Do these institutions have resources that could be utilized to support an RSP?

- , **Workforce Investment Boards:** What are the Workforce Investment Boards within the labor market region? Who are the contact people at the different WIBs? Are they currently involved in Regional Skills Partnerships? What resources do the WIBs currently have to support this work? What is their interest in participating?
- , **Community-Based Organizations:** What local CBOs are active in workforce development? Which represent populations that may be trained to meet skills shortages? Are any of these CBOs currently involved in regional skills collaborations?
- , **Economic Development Agencies:** What economic development agencies are active within the given labor market area? Are these entities involved in education and workforce development? What information and resources might they have available to support a RSP?

## **Sustaining the RSP**

From the outset, RSPs need to determine whether they are forming for a specific, short-term initiative or to solve a regional problem over a longer period of time. Even in the former case, the time horizon for successfully addressing a skills shortage is long enough that RSPs need to be concerned with how they will support and sustain their effort. This is both an organizational question and a financial one.

Organizationally the key issues usually are how to maintain the work and ensure the continued interest and involvement of all partners. In longer-term partnerships, flexibility in the face of changing conditions is also essential to survival.

The first of these is directly linked to the problem of sustained financial support. In general, much of the support for training does and should come from the firms themselves. Lack of support tends to reflect a lack of interest in the “product”. The public sector shares the financial burden of the training when a particular social goal is being targeted. Support for the infrastructure of the RSP is frequently shared among the stakeholders, both public and private. The key point here is that, from the start, the partners in an RSP need to craft a realistic plan for supporting it over its entire lifetime.

## **Selecting a Strategy**

All RSPs are formed for the purpose of addressing regional skills shortages. In some cases, the issue is simple and straightforward and defines the strategy of the alliance from its inception. In other cases, the starting point is broader or vague (such as an economic

development goal) or, although specific (such as employing lots of former welfare recipients in jobs with futures), does not point clearly to one strategy.

Usually there is at least some ambiguity regarding which industries and/or job categories and skills should be targeted and how the overall project should be designed. There is also, as described earlier, usually some tension among the stakeholders about goals for the project.

## ❑ **Identifying Skills Shortages**

Thus, the first step in defining the strategy of an RSP is to identify areas of skill shortage and to “audit” the community to determine whether or not existing institutions and programs will solve the problem. (See the Models and Methods section of this Briefing Book for more on community audits.) In fact, in some cases, the initial labor market scan and identification of skills shortages occurs before an RSP is created. That is, it is the identification of a skills shortage—by an industry, union, WIB, economic development organization or other community stakeholder that initiates the development of the RSP.

In other cases, however, the labor market audit occurs after the initial formation of the partnership, although that partnership may be transformed by the findings of the audit to more fully include targeted industry sectors.

The original purpose of the RSP, then, largely shapes the approach to identifying skills shortages. If the purpose is economic development broadly defined, the RSP stakeholders may want to start by identifying industry sectors and clusters in which the region has a competitive advantage and which offer good jobs and career opportunities. After identifying these key industries, this analysis moves to the level of the firm—to identify the most important firms in each industry. RSPs that are targeting particular populations may follow a similar path of analysis, though they may—from the start—focus on certain kinds of jobs (for example, entry-level jobs with career opportunities).<sup>3</sup>

Skills shortage analysis also usually involves direct “primary” research in the form of firm surveys and focus groups. This is because much of the information needed to craft a strategy can be obtained only from those associated with the firms themselves. For example, available data tell little about the actual skills associated with a job, what they are looking for in an employee in a particular job category, whether job ladders exist and how

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<sup>3</sup> It is worth noting that there are a number of serious problems in skills shortage identification including the following: 1) It is difficult to separate the *intensity* of demand from the *volume* of demand—that is, local employers may insist there is a skills crisis but on further analysis this may not be because they need lots of new workers in that skill or occupation; rather, the few workers they need are critical to the business. 2) Often by the time the workforce development system can respond to industry skills shortages, technology or new competitive pressures have produced a change in the number or kind of workers needed. 3) Correctly identifying the actual skill needed may be a difficult problem. Even the same job title may vary in its skill requirements across firms and industries.

they can be supported through training. This is not only an important research but the conduct of interviews and focus groups can be extremely important in forging close connections among the RSP partners, particularly between industry and the community stakeholders. (See the Models and Methods section of this Briefing Book for more on surveying firms.)

## □ **Goal of the labor market audit: finding win-win solutions**

What is the goal of this analysis? The goal of this analysis is not simply to pinpoint jobs that employers are having trouble filling. *The purpose is to understand the needs and dynamics of the targeted industry (or industries) well enough to craft solutions that simultaneously meet its competitive needs and provide real economic opportunities for workers in that community.* Sometimes this win-win solution is simple and straightforward. Other times, finding common ground takes more work and creativity. The projects highlighted throughout this Briefing Book provide examples of how some RSPs have gotten there.

# **Challenges in the Design of Training Programs**

Crafting the broad outlines of the strategy is not the only challenge. There are specific challenges involved in designing and implementing training programs.

## □ **Ensuring on-going industry involvement**

It is not enough to have strong industry representation on the RSP, industry representatives at many levels of the firm, including the operational level, need to be actively engaged in the design and evaluation of the training programs themselves.

## ❑ **Selecting a target group for training**

The question of who to target for training can be a tricky issue. This is true particularly when the RSP was formed around a particular social agenda (such as employing low-skill workers) that does not fully correspond to the needs of the business community. In this case, as suggested earlier, the solution may be a compromise: training both higher and lower skilled workers. The same kind of compromise can work in reverse, when high skilled workers are in short supply and the solution is to upgrade skills.

However, even if the eventual solution is a compromise, *it must be a genuine one*. That is, the RSP will fail if an attempt is made to shove round pegs into square holes, meeting the objectives of no one successfully. *Those targeted for training must be capable of filling the new jobs.*

## ❑ **Recruitment and assessment**

This fundamental requirement of a good match between the jobs and the trainees underlines the importance of effective recruitment and assessment.

## ❑ **Customizing the training**

One of the primary purposes of an RSP is to change the way workforce development institutions (including education and training institutions) do business, making them more responsive to the needs of the labor market. This takes many forms. One of the most important is the tailoring of training programs, both to the requirements of the targeted jobs and to the learning needs of those being trained.

The temptation to use off-the-shelf programs is great, particularly on the part of training providers. This is especially true in the case of educational institutions where there are often serious bureaucratic barriers to establishing new courses.

Sometimes off-the-shelf programs meet industry and worker needs. This is most often true when the skills shortage is in an occupation for which an established program of education and/or training exists (such as many of the health care professions). Even in these cases, however, there is frequently a need for at least some form of customization. For example, programs may not be offered at times and in places that are accessible to the target population. Or changes in the structure and organization of work within the industry have reconfigured traditional occupations.

Increasingly change is occurring so rapidly within industries—driven both by competitive pressures and new technologies—that training programs are outmoded almost before they are established. In this environment, RSPs need to seek out

education and training organizations that have geared themselves up to be nimble enough to respond to these rapid shifts in the environment. By forging closer relationships between these institutions and key regional industries, RSPs can help education and training providers gain access to the knowledge and technology they need to be responsive to their labor market.

## ❑ **Incumbent worker training**

Workplace-based learning has critical advantages in almost any environment. In an environment of rapid change, it goes a long way toward ensuring that training will be relevant to the job. Training workers already in the employ of firms also is an efficient way to provide upgrade training, sometimes opening up new possibilities for lower skilled workers; in any case, providing advancement opportunities for the firm's workers.

However, the demands and requirements of successful incumbent worker training are fundamentally different from those of traditional classroom training. Not only does the curriculum and methods of teaching need to be customized to the needs of the particular workplace, but the follow kinds of concerns also need to be addressed:

- Both top management and front line supervisors must be genuinely committed to the program and its goals.
- # Firms must have the ability to support the training (minimally by freeing workers from regular “production” pressures to engage in training).
- # Firms must be able to support workers in using their new skills.
- Ideally, many levels of the firm hierarchy (senior management, frontline supervisors, workers, will be involved in program conceptualization and design (and there will be on-going mechanisms of involvement and oversight).
- # If the firm is unionized, the union must be involved from the beginning.
- # The goals of training must be aligned with the other HR and internal policies of the firm.
- # The style of teaching must be sensitive to the needs of adult learners.
- ESL and other basic skills training must be integrated into occupational skills training.

## ❑ **Career ladders and career pathways**

One of the characteristics of the “new economy” is the elimination in many industries of traditional kinds of career ladders. As suggested throughout this report, one win-win strategy for addressing the problem of skills shortages is creating or supporting pathways for workers to move from lower skilled to higher skilled jobs. This may entail the development of an articulated set of credentials that document workers movement up a skill ladder; another strategy is workplace-based training that supports upgrading of skills and wages.

## ❑ **Articulating training among institutions**

Articulation agreements among educational institutions and, more innovatively, between educational institutions and other sites of learning such as firms and CBOS, are often essential to the development of training programs that move workers up the skill ladder. Given how important these agreements are, it is surprising how difficult they are to develop. RSPs, by bringing together major stakeholders within a community, can help break down the barriers to these agreements.

## ❑ **Degrees and credentials**

The importance of documented skills standards and skills attainment is reflected in the spate of industry-created, industry-recognized standards and credentials. This is particularly true in the high technology occupations where individual companies, as well as industry segments, are developing credentialed programs that provide workers access to good jobs.

In general, RSPs need to consider the value of developing programs that provide trainees recognition of the skills they develop and offer employers some degree of “quality control”. Credentials are the first step in this process. To offer the widest range of opportunity to workers, these credentials often are articulated to degree programs within two and four year educational institutions.

## ❑ **Support services**

To make programs effective, RSPs need also to take into account the total needs of their adult trainees. These may include childcare, transportation, and other supportive services essential to their success in both the learning environment and the labor market.

